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BEFORE THE

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Federal Communications Commission

WASHINGTON, D.C. 20554

In the Matter of

Implementation Of Sections Of
The Cable Television Consumer
Protection And Competition
Act Of 1992

Rate Regulation

MM Docket No. 92-266

**COMMENTS OF U.S. COMPUTER SERVICES
IN RESPONSE TO AND IN SUPPORT
OF PETITION FOR CLARIFICATION OR FOR
RECONSIDERATION OF ORDER OF MAY 14, 1993**

U.S. Computer Services ("USCS"), by its attorneys, hereby
submits its comments in response to and in support of the
"Petition for Clarification or for Reconsideration of Order of
May 14, 1993" filed by Continental Cablevision, Inc. ("CCV") dated

industry's leading billing vendor, is uniquely qualified to comment on the issues raised by Continental. As discussed more fully below, USCS agrees with Continental that the public interest will best be served by permitting cable operators to reflect rate changes announced by June 21, 1993 on bills issued during an operator's next full billing cycle, without any proration or refund obligation. Additionally, USCS urges the Commission to temporarily extend the compliance deadline for and/or clarify certain bill itemization requirements currently scheduled to take effect in the next few weeks.

DISCUSSION

On May 18, 1993, Continental filed with the Commission a petition seeking a determination that cable operators are not required to prorate or otherwise adjust subscriber bills to reflect rate changes announced by June 21, 1993 so long as such rate changes are reflected on subscriber bills issued during the operator's next full billing cycle. Continental's petition was submitted in response to the Commission's May 14, 1993 "Order" preempting certain notice obligations with respect to rate changes announced by June 21, 1993. According to Continental, excusing cable operators from having to prorate or otherwise adjust subsequent bills back to June 21, 1993 serves the public interest by minimizing the enormous subscriber confusion that such prorations and adjustments almost certainly would engender.

USCS shares Continental's concerns about the potential for massive subscriber confusion if rate changes announced on June

21, 1993 must be prorated or otherwise adjusted back to that date. As Continental correctly indicates, monthly subscriber billing cycles vary, with different cut-off dates for different monthly cycles.¹ (For example, the cut-off date for a billing cycle that commences on the first of the month might be as early as the 20th of the preceding month, meaning that activity occurring after that date would generally not appear on a subscriber bill until the following cycle.) While USCS has the capability (subject to space limitations on many bills) to compute prorations and other adjustments, such computations are likely to confuse subscribers, even when they appear on a bill that is fairly contemporaneous with the adjustments. Because there is a distinct possibility that changes announced on June 21, 1993 will not appear on some subscribers' bills for more than a month, the likelihood of confusion is even greater.

For example, if a subscriber's monthly billing cycle commences on the 15th of each month, a rate change announced on June 21 will not appear on a statement until July 15, which statement will reflect charges from July 16 through August 15. It is quite possible that other adjustments will become necessary during this period as subscribers add and drop service and equipment in response to new pricing schedules. The resultant combination of complex prorations, credits, refunds, and other

¹It should be noted that not all subscribers receive monthly bills. A small percentage of subscribers are billed on a bimonthly, quarterly, semi-annual or annual basis, or over some other increment of time.

adjustments will place even greater strain on the billing process and will further exacerbate subscriber confusion. Under the current schedule established by the FCC, the cable operator and its billing vendor, despite every possible good faith effort, cannot avoid this confusion. Yet the blame and frustration will be directed at the cable operator.

Consequently, USCS strongly urges the Commission to grant Continental's petition and permit cable operators to reflect rate changes announced by June 21, 1993 on their subscribers' next full monthly billing cycle.² This will minimize subscriber confusion and is consistent with industry practice whereby cable operators typically schedule rate changes to coincide with full billing cycles. It also will relieve some of the problems associated with space limitations on some bills.

USCS wishes to emphasize, however, that even with the relief requested by Continental, it may be impossible to fully and immediately comply with the bill itemization requirements imposed by the Commission's new rules. Adding information to subscriber bills about unbundled equipment and service offerings as well as the franchising authority's name and address will severely burden the limited space available on many bills.

USCS believes that these problems can be ameliorated in large measure by an interpretation of the Commission's rules indicating that a system will be deemed to have substantially

²If a subscriber is not on a monthly billing cycle, operators should be given until the end of July 1993 to issue an otherwise unscheduled bill reflecting the new rates.

complied with its itemization obligations if the required information is provided within three monthly billing cycles (the same period allowed for compliance with the "notice of availability of basic tier" obligation). Many cable operators maintain six months of pre-printed stock in inventory. The requested interpretation would allow at least some of this inventory to be used while operators make the transition to a larger billing format. It also will allow operators and billing vendors to obtain and input any additional information required by the rules.

Finally, complying with the requirement that each bill list the subscriber's "community unit identifier" will take a significant amount of time, both for the cable operator to obtain and input this information for each of its subscribers and for the requisite software changes. It is USCS's understanding that community unit identifier information is not currently tracked by any billing service provider. Moreover, such information does not necessarily correspond to any known data field, such as franchising authority or headend. (For example, a single county franchise might have been registered with the Commission as several community units.) USCS submits that the Commission should delete the requirement that the community unit identifier be included on every bill, and instead simply utilize the more commonly known franchise authority name.

CONCLUSION

Over the next few weeks cable operators will be announcing a variety of changes to their service and equipment offerings in an

effort to comply with the Commission's new rate regulations. The potential for subscriber confusion is enormous. In summary, USCS urges the Commission to provide the following relief as requested above:

1. Make effective date of rate change coincide with the earlier of: (a) the next billing cycle after June 21, 1993 or (b) July 31, 1993 for subscribers with billing cycles greater than one month.
2. Phase in the itemization requirements over a 3-month period.
3. Delete the requirement for the FCC Community Unit identifier on bills.

Such FCC action will maximize the ability of cable operators to implement and to communicate the changes in service and equipment and related rates to their subscribers as clearly and simply as

CERTIFICATE OF SERVICE

I, Eve Lehman, a legal secretary with the law firm of Fleischman and Walsh, hereby certify that on this 1st day of June, 1993 a copy of the foregoing COMMENTS OF U.S. COMPUTER SERVICES IN RESPONSE TO AND IN SUPPORT OF PETITION FOR CLARIFICATION OR FOR RECONSIDERATION OF ORDER OF MAY 14, 1993 was sent by U.S. first class mail, postage prepaid, to the following:

Paul Glist, Esq.
Cole, Raywid & Braverman
1919 Pennsylvania Avenue, N.W.
Suite 200
Washington, D.C. 20006



Eve Lehman